



Congress of the United States
House of Representatives
Washington, DC 20515

April 25, 2002

Gene Derfler
Senate President
Oregon State Senate
900 Court Street, NE
Room S-203
Salem, OR 97301

Mark Simmons
Speaker of the House
Oregon State House of Representatives
900 Court Street, NE
Room 269
Salem, OR 97301

Kate Brown
Senate Democratic Leader
Oregon State Senate
900 Court Street, NE
Room S-323
Salem, OR 97301

Debra Kafoury
House Democratic Leader
Oregon State House of Representatives
900 Court Street, NE
Room H-395
Salem, OR 97301

Dear Sen. Derfler, Speaker Simmons, Sen. Brown, and Minority Leader Kafoury:

We were disturbed to read a recent *Houston Chronicle* article from April 24, 2002 that describes one business practice of Portland General Electric, the Enron subsidiary and utility company.

According to the article, Portland General Electric (PGE) buys life insurance policies on the lives of its rank-and-file employees and designates the company as the beneficiary. In turn, PGE uses the insurance proceeds from the death of rank-and-file employees for special compensation and retirement benefits for its top executives and directors. This is an unconscionable practice that the Oregon Legislature must investigate. In fact, sixteen states including Texas, currently outlaw this practice. Unfortunately, Oregon does not.

These policies aren't intended to benefit employees. In fact, most employees don't even know that their employers have policies on them. If an untimely death befalls an employee, an employer can reap a six-figure profit from employees covered by a 'dead peasant' plan. The families get nothing.

We strongly urge you to work with your colleagues and the State Insurance Commissioner to develop a legislative solution to this outrageous practice.

Sincerely,

PETER DeFAZIO
Member of Congress

DAVID WU
Member of Congress